

## **Submission by the International Chamber of Commerce:**

### **Sharm el-Sheikh mitigation ambition and implementation work programme – Suggested topics in line with the scope of the work programme**

The International Chamber of Commerce (ICC) is the institutional representative of 45 million companies in more than 170 countries. ICC is deeply committed to the objectives of the Paris Agreement and has been mobilising business behind the goal of limiting global warming to 1.5 degrees Celsius and achieving net zero emissions by 2050.<sup>1</sup>

ICC has served as the United Nations Framework Convention on Climate Change (UNFCCC) Focal Point for Business and Industry NGOs Constituency (BINGO) since the early 90s, providing technical expertise and real economy insights to the negotiations, but also exchanging with governments and other civil society groups on opportunities and challenges, with the positive intent of taking learnings into their local contexts and informing the development of strategies to achieve net zero.

ICC and BINGO applauded the establishment of the Mitigation work program (MWP) at COP26 and further decisions on its scope and mandate at COP27. The global business community sees the MWP as a critical instrument to urgently enhance mitigation ambition and implementation in this critical decade, in a manner that complements the Global Stocktake and supports and fosters the implementation of its guidance.

We express our appreciation to the co-chairs of the MWP and Parties for their hard work and dedication to this important agenda item and for providing the opportunity to business and other non-Party stakeholders to actively participate and contribute to work activities in 2023. The global dialogues and investment-focused events conducted last year are an encouraging start with many successful elements and some important key messages that should be built upon and learnings that should be taken into account for discussions in 2024 and years to come.

In response to the call for suggestions of topics to be discussed at the global dialogues in 2024, in line with the scope of the work programme referred to in paragraph 4 of FCCC/PA/CMA/2022/L.17, para. 12, we are pleased to provide the following views and reflections.

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<sup>1</sup> This commitment was reaffirmed in the ICC Centenary Declaration in 2019, endorsing the Intergovernmental Panel on Climate Change findings on the urgent need to keep the global temperature increase below 1.5 degrees Celsius and making action on climate a central pillar of ICC's Global Strategy for this century.

## 1. Context & suggested topic(s)

Limiting global warming to 1.5 degrees Celsius with no or limited overshoot requires deep, rapid and sustained reductions in global greenhouse gas (GHG) emissions of 43 per cent by 2030 and 60 per cent by 2035 relative to the 2019 level and reaching net zero carbon dioxide emissions by 2050. The IPCC sixth Assessment Report, UNFCCC Synthesis report on Nationally Determined Contribution (NDCs) as well as the synthesis report on the technical dialogue of the first Global Stocktake clearly indicate that significant gaps in mitigation ambition and implementation still remain in order to limit warming to 1.5 degrees Celsius above pre-industrial levels and achieve the Paris Agreement goals.

In this context, the MWP can be an important tool to provide a much needed response to the findings of science and deliver meaningful emissions reductions in this critical decade of action, and also provide a clear roadmap for business on what interventions must take place, in the coming years, sector by sector, to align with a 1.5 degrees Celsius and net zero future.

According to the IPCC sixth Assessment Report, the energy sector represents the largest share in world emissions and achieving the Paris Agreement goals will require substantial energy system changes. Given the scale and urgency of the climate challenge and the huge mitigation potential of this sector in the short term, and also building on the political momentum and strong signal from the response to the first Global Stocktake on global efforts required in the energy sector, **ICC supports a continued focus on “Accelerating Just Energy Transitions” in the global dialogues in 2024 and beyond, with a discussion on effective enabling conditions, technologies, financing and just transitions as priority.**

Whilst discussions have focused so far on the ‘what’ and the response to the first GST set out clear actions to be taken in the energy sector, including a call to triple the renewable energy output and double energy efficiency by 2030 as well as to “transition away” from fossil fuels, it will be critically important to start a discussion on ‘how’ we implement these calls – on the much needed enabling policies, solutions and financing to achieve a just energy transition, so as to achieve net zero by 2050 in keeping with the science but also take into account national circumstances and priorities.

In planning the global dialogues for 2024, it will be important to take into account the following four specific elements and considerations for a meaningful discussion on how to achieve and accelerate a just energy transition:

- **Opportunities & barriers for development & deployment of climate technologies:** While there is vast potential for expanding renewable energy generation<sup>2</sup>, such as solar, wind, hydropower, biofuels and others as well as of abatement & removal technologies; the lack of finance, in particular in emerging and developing markets,

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<sup>2</sup> The latest IEA 2023 Renewables Report shows a 50% increase in renewable capacity in 2023 compared to 2022 and predicts that under existing policies and market conditions, global renewable power capacity is now expected to grow to 7300 GW over the 2023-28 period covered by the forecast, giving it a real chance of achieving the goal of tripling global capacity by 2030 that governments set at COP28.

robust infrastructure, technical support, technological capacity continue to inhibit scaled up deployment. It is also important to focus discussions on how to accelerate the energy transition in a manner that ensures energy security and access to affordable energy, also looking at key challenges (such as intermittency, limitation of batteries, environmental and justice concerns with regards to mining and supply chain of critical minerals) and identifying effective solutions to address these.

- **Access, availability and affordability of finance:** While the issues related to financing and investments will be considered in the investment-focused events on the margins of the relevant dialogues, a more prominent and integrated focus on these issues in the global dialogues sessions should be explored, with a particular attention on creating the structural conditions and enabling (policy) environments that can mobilise much greater private funding.
- **Role of effective carbon markets and Article 6:** Understanding the role of effective policies and solutions, such as carbon markets as well as understanding the role of Article 6 of the Paris Agreement in accelerating a just energy transition will be essential. With the right operating rules, Article 6 has great potential to accelerate emissions reductions at the lowest possible cost, while unlocking resources for developing nations and climate technologies also creating the necessary transparency to forge a more cohesive multilateral approach to carbon pricing.
- **Just energy transitions:** Understanding and addressing the costs of the energy transition and potential economic, social and environmental implications that may arise from different mitigation actions and policies, particularly in the short-term will be of critical importance. A focus on this important issue can also provide helpful contributions for forthcoming discussions under the Just Transition Work Programme.

## 2. Process: enhanced engagement of business and industry experts

ICC truly appreciates efforts made by the Co-Chairs and the UNFCCC Secretariat to ensure participation and involvement of non-Party-stakeholders, including from business and industry in the past dialogues. We further welcome the commitment made at COP28 to enhance participation of relevant experts in future dialogues and investment-focused discussions.

The private sector is particularly well placed to advance implementation of the Paris Agreement, and is therefore a critical stakeholder to provide inputs into the MWP, bringing real-world expertise and experiences from companies of all sizes, sectors and regions in a way that can inform on cutting-edge mitigation efforts, climate finance and investment, technology innovation and deployment, sustainable economic growth and just transition.

We therefore encourage the enhanced engagement of business and industry and financial experts in the global dialogues and investment-focused discussions. Furthermore, we would recommend exploring how business expertise can be reflected and included more formally and substantively to proportionally reflect and thereby strengthen the scope and envisioned outcomes of the Work Programme.

Nurturing the dialogue between business, governments, other civil society groups and the scientific community on the need to urgently scale up mitigation ambition and implementation can lead to further commitments and more ambitious actions in the run-up to, and beyond COP29. A strengthened public-private dialogue can also be of particular value as countries prepare to submit strengthened NDCs by 2025, covering all GHGs, sectors, and categories, and that are aligned with limiting global warming to 1.5 degrees Celsius.

We trust that the above feedback will be helpful in the planning for the global dialogues and investment-focused events to take place this year and stand ready to submit suggestions for business and industry experts and to engage actively in the MWP 2024 events.